

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SAB-02 INR-10 L-03 PM-05 SS-15
SP-02 SIL-01 /053 W
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FM AMEMBASSY PANAMA
TO SECSTATE WASHDC PRIORITY 7121

LIMITED OFFICIAL USE SECTION 1 OF 2 PANAMA 03563

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E.O. 11652: N/A
TAGS: ELAB, PN, PQ
SUBJECT: COLLECTIVE BARGAINING IN CANAL ZONE

REF: STATE 125904

SUMMARY: IN MAY 18 MEETING, CANAL ZONE LABOR DECLINED TO DISCUSS ANY OPTIONS IN PAPER PRESENTED TO THEM, ASKING FOR TIME TO PREPARE THEIR OWN AFFIRMATIVE COUNTERPROPOSAL. CONTEXT OF DISCUSSION MADE IT CLEAR THAT, DESPITE GOVERNOR'S PRIOR COMMITMENT ON COLLECTIVE BARGAINING, ALL PARTIES IN BOTH LABOR AND MANAGEMENT ARE NOW CONSIDERING BARGAINING SYSTEM ISSUE FROM STANDPOINT OF APPLICABILITY UNDER NEW TREATIES. END SUMMARY.

1. MEETING BETWEEN CANAL ZONE LABOR UNIONS AND CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD WAS HELD AS SCHEDULED AT 1330 THURSDAY, MAY 18, IN PAN-CANAL BOARD ROOM. MEETING WAS CHAIRED BY DEPUTY UNDERSECRETARY OF ARMY BLUMENFELD; GOVERNOR PARFITT AND LT. GEN. MCAULIFFE (MEMBER OF CZCPPCB) WERE ALSO PRESENT, ACCOMPANIED BY WASHINGTON AND CANAL ZONE LIMITED OFFICIAL USE

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PERSONNEL AND LABOR RELATIONS OFFICIALS. AN UNUSUAL NUMBER OF WASHINGTON-BASED NATIONAL UNION OFFICIALS CAME FOR MEETING, INCLUDING: FRANK POLLERA, ASSISTANT TO AFL-CIO PRESIDENT MEANY; BERNARD ZWINAK, SPECIAL ASSISTANT TO AFGE PRESIDENT BLAYLOCK; TALMADGE SIMPKINS, DIRECTOR, AFL-CIO MARITIME COMMISSION; GEORGE KANALY, CHAIRMAN, AND D. W. HENSLEY, LEGAL

ADVISER, GOVERNMENT EMPLOYEES COUNCIL, IBEW; AND JOHN MEESE, DIRECTOR OF GOVERNMENT OPERATIONS, IAM AND AW. LABOR RELATIONS OFFICIALS AND UNIONS (INCLUDING PATCO) FROM FAA ATTENDED SESSION AS WELL.

2. AFTER A BRIEF INTRODUCTION AND EXPLANATION OF OPTIONS INCLUDED IN MAY 10 CZCPPCB PAPER, BLUMENFELD ASKED FOR UNION COMMENTS. POLLERA, SPEAKING ON BEHALF OF ALL AFL/CIO AFFILIATES IN CANAL ZONE, POLITELY BUT FIRMLY REJECTED ALL FIVE OPTIONS; LABOR CONSIDERED UNANIMOUSLY THAT NONE MET NEEDS OF CANAL ZONE EMPLOYEES. UNIONS HAD ESTABLISHED A SUBCOMMITTEE TO DEVELOP A 'SIXTH OPTION' AS AN AFFIRMATIVE RESPONSE TO CZCPPCB PAPER. HE WELCOMED BLUMENFELD'S INTRODUCTORY STATEMENT THAT THE PROPOSED JUNE 2 DEADLINE FOR WRITTEN FORMAL UNION RESPONSES WAS NOT NECESSARILY FIRM; HE EXPECTED THAT LABOR MIGHT NEED MORE TIME, AND WOULD BE BACK IN TOUCH WITH BLUMENFELD AS SOON AS THE UNIONS WERE ABLE TO TALK. IN THE MEANTIME, HE DECLINED TO DISCUSS SUBSTANTIVE OBJECTIONS TO THE PROPOSED OPTIONS, OR TO OTHERWISE DISCUSS THE SUBJECT UNTIL LABOR HAD AN AFFIRMATIVE RESPONSE TO MAKE. HE APOLOGIZED SOMEWHAT FOR THIS, SAYING THAT LABOR HAD CONSIDERED ASKING FOR POSTPONEMENT OF THIS MEETING, BUT HAD DECIDED TO PROCEED WITH IT ON THIS BASIS.

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3. A SCATERING OF OTHER UNION OFFICIALS SPOKE, BUT VIRTUALLY ALL CONFINED THEMSELVES TO ENDORSEMENT OF POLERA'S STATEMENT OR STATEMENT ALONG SAME GENERAL LINES. PRINCIPAL EXCEPTION WAS AFGE LOCAL 14 PRESIDENT JAMES O'DONNELL; SPEAKING FROM PREPARED TEXT, HE NOTED THAT GENERAL COMMUNITY OF INTEREST WHICH SYSTEMS TO DATE HAD PRESUMED TO PREVAIL IN CANAL ZONE WAS ESSENTIALLY VITIATED BY SITUATION THAT WOULD SHORTLY BE CREATED UNDER NEW TREATY. US AND PANAMANIAN GOVERNMENT INTERESTS COULD BE ASSUMED TO DIVERGE ON OCCASION, AND PANAMANIAN GOVERNMENT VIEWS WOULD HAVE TO BE TAKEN INTO ACCOUNT DUE TO ITS PARTICIPATION IN CANAL COMMISSION. INTERESTS OF US AND PANAMANIAN-CITIZEN WORKERS MIGHT WELL ALSO DIVERGE, SINCE TREATY ESTABLISHED CERTAIN TYPES OF PREFERENCES OR RESTRICTIONS ON BASIS OF CITIZENSHIP, E.G., HIRING PREFERENCES FOR PANAMANIANS. HE CALLED OPTIONS IN BOARD PAPER UNREALISTIC, UNIMAGINATIVE AND BASED ON A CURRENT SITUATION RATHER THAN THE FUTURE REALITY. HE SPECIFICALLY SUGGESTED THAT SECRETARY OF ARMY

APPOINTMENT OF A BOARD TO OVERSEE A COLLECTIVE BARGAINING SYSTEM WAS INAPPROPRIATE, AND CALLED FOR A BOARD APPOINTED EITHER BY PRESIDENT OR BY AN INDEPENDENT OFFICIAL APPOINTED BY PRESIDENT WITH SENATE ADVICE AND CONSENT, ONE OF WHOSE MEMBERS SHOULD BE SELECTED FROM A SLATE OF FIVE PROPOSED BY LABOR. AND HE ASKED THAT SUCH A BOARD ALSO BE GIVEN THE TASK OF REVIEWING IMPLEMENTATION OF SAFEGUARDS SET FORTH IN THE TREATY FOR EMPLOYEES WHO LOST THEIR JOBS.

4. PRESIDENT RALPH SHEPHERD OF LOCAL 29, AMERICAN FEDERATION OF TEACHERS, NOTED HIS UNION'S SITUATION AS SPECIAL IN THAT IT WOULD BE BARGAINING UNDER THE LIMITED OFFICIAL USE

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NEW TREATY WITH A MANAGEMENT WHICH WAS NOT LOCAL, I.E., DOD OFFICE OF DEPENDENT SCHOOLS (DODOODS) AREA OFFICE WHICH WAS BEING ESTABLISHED TO COVER PANAMA AND OTHER SCHOOLS IN ATLANTIC-CARIBBEAN AREA. HE SAID HIS UNION WAS INTERESTED IN TYPE OF

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CONTRACT GENERALLY SIMILAR TO ARRANGEMENT WITH OVERSEAS FEDERATION OF TEACHERS IN GERMANY OR ITALY. IN A LATER SPECIFIC QUESTION, SHEPHERD SAID DODOODS WAS

CONTEMPLATING AN EFFECTIVE DATE OF TRANSFER OF CANAL ZONE SCHOOLS OF JULY 1, 1979, VICE OCTOBER 1 TREATY EFFECTIVE DATE, TO ENSURE SMOOTH TRANSITION PRIOR TO START OF 1979 ACADEMIC YEAR. WITHOUT NECESSARILY TAKING EXCEPTION TO THIS, HE SAID, HIS UNION WOULD LIKE ASSURANCES THAT IN MATTERS SUCH AS PAY BASE, ACADEMIC CREDITS EARNED BY TEACHERS ON SABBATICAL, ETC., DODOODS WOULD ASSURE THAT TEACHERS WOULD ENTER DOD SYSTEM BASED ON SITUATION PREVAILING ON ACTUAL TREATY EFFECTIVE DATE IN OCTOBER (E.G., WOULD HAVE BENEFIT OF ANY WASHINGTON D.C. PAY INCREASES BETWEEN JULY 1 AND OCTOBER 1, ETC.) BLUMENFELD SAID HE HAD NOT BEEN AWARE DODOODS WAS CONSIDERING SUCH STEP BUT WOULD LOOK INTO MATTER.

5. POLICE UNION PRESIDENT WILLIAM DRUMMOND ASKED IF MANAGEMENT HAD DEFINED OPERATION OF SYSTEM TO PROVIDE PRIORITY FOR PANAMANIAN CITIZENS AS SPECIFIED IN TREATY. PANCANAL PERSONNEL DIRECTOR FRICK REPLIED THAT THERE WAS NO DEFINITION OF THIS AS YET, BUT THAT PANCANAL LIMITED OFFICIAL USE

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WOULD SHORTLY BE ESTABLISHING AN INTERNAL STUDY GROUP WHICH WOULD SEEK TO DEFINE WHAT THESE PROVISIONS WOULD MEAN AND DEVELOP PLANS FOR IMPLEMENTATION OF THEM.

6. SCATTERED QUESTIONS BY INDIVIDUAL UNION LEADERS DIVERGED STEADILY FROM ORIGINAL SUBJECT OF MEETING INTO RELATED FIELDS OF TREATY IMPLEMENTING LEGISLATION AND MANAGEMENT PLANS. POLLERA FINALLY ENDED MEETING BY THANKING BLUMENFELD FOR OPPORTUNITY TO MEET AND REPEATING THAT HE WOULD CALL BLUMENFELD WHEN LABOR SUBCOMMITTEE HAD AN AFFIRMATIVE COUNTERPROPOSAL TO MAKE.

7. COMMENT: DESPITE SOME EXPECTATIONS OF MUCH HEATED DISCUSSION (BLUMENFELD SAID IN OPENING THAT HE HOPED TO HOLD MEETING TO THREE HOURS AT MAXIMUM; IT ACTUALLY LASTED ABOUT 40 MINUTES), THIS MEETING WAS TAME AND NOT TERRIBLY SUBSTANTIVE. LOCAL UNION LEADERS MET PRIVATELY WITH VISITING WASHINGTON UNION OFFICIALS PREVIOUS EVENING; THAT DISCUSSION WENT ON FOR SEVERAL HOURS. FROM REPORTS WE HAVE, LABOR LEADERS PRESENT WERE ABLE TO AGREE ONLY THAT BOARD PAPER PRESENTED NO GENERALLY ACCEPTABLE OPTION--BEYOND THAT, DISAGREEMENT WAS GREAT AND HEATED. SO WHILE LABOR REJECTION OF BOARD'S PROPOSED OPTIONS APPEARS FIRM, POLLERA HAS ASSUMED A TRULY HEROIC TASK IN TRYING TO DEVELOP SOME POSITIVE ALTERNATIVE WHICH WILL NOT LEAVE LOCAL LABOR UNIONS STILL SHARPLY

DIVIDED.

8. MOST SIGNIFICANT POINT ABOUT MEETING THAT STRUCK
EMBASSY LABOR OFFICER, AND LOCAL MANAGEMENT OFFICIALS
PRESENT, WAS THAT AFTER A BRIEF REFERENCE IN
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BLUMENFELD'S OPENING STATEMENT, GOVERNOR PARFITT'S
MARCH 1976 MEMORANDUM ON COLLECTIVE BARGAINING--AND
THE WHOLE IDEA THAT THIS PROCESS WAS INTENDED TO
DEVELOP A BARGAINING SYSTEM FOR THE CANAL ZONE AS IT
NOW STANDS--WAS NEVER MENTIONED AGAIN BY EITHER SIDE.
THE FEW UNION COMMENTS OF SUBSTANCE, MOST NOTABLY
O'DONNELL'S, CLEARLY LINKED THIS BARGAINING SYSTEM
TO THE SITUATION THAT WILL PREVAIL UNDER THE NEW TREATY.
AND THE MORE FREQUENT COMMENTS ON TIMING DISCLOSED
NO SENSE OF URGENCY ABOUT A SYSTEM FOR RIGHT NOW,
REFERRING INSTEAD AT SEVERAL POINTS TO HAVING 15-18
MONTHS BEFORE THE SYSTEM WOULD NEED TO BE DEVELOPED
AND OPERATING. THE LONGER THE DISCUSSION CONTINUED,
THE MORE COMMENTS BY MANAGEMENT OFFICIALS WERE MADE
ALONG THE SAME LINES.

9. TO SOME EXTENT THIS AROSE FROM THE BOARD PAPER
ITSELF; AS THE DEPARTMENT NOTED IN PARA 3 REFTEL,
AND AS THE EMBASSY DISCUSSED PREVIOUSLY IN PARA 4
OF PANAMA 3261 AND VARIOUS HINSON-CAMAUR AND
HINSON-WYROUGH TELECONS, THE DRAFT BOARD PAPER REFERRED
THROUGHOUT TO THE CANAL COMMISSION WHICH WILL COME
INTO BEING UPON ENTRY INTO FORCE, NOT TO THE CANAL
COMPANY/GOVERNMENT WHICH IT WILL REPLACE. BUT OUR
VIEW IS THAT THE SHIFT OF FOCUS GOES DEEPER THAN THIS.
WE SEE THE GOVERNOR'S PRIOR MEMORANDUM AS PRETTY
MUCH A DEAD LETTER INsofar AS IT RELATES TO THE CURRENT
SITUATION IN THE CANAL ZONE; ITS PLEDGE OF A COLLECTIVE
BARGAINING SYSTEM HAS BEEN SUBSUMED IN THE MINDS OF
BOTH LABOR AND MANAGEMENT BY ARTICLE X.9(A) OF THE
TREATY, AND BOTH SIDES ARE NOW THINKING IN TERMS
OF THE BARGAINING SYSTEM WHICH WILL GOVERN THE NEW
SITUATION AFTER ENTRY INTO FORCE.

10. THE EMBASSY WOULD APPRECIATE THE OPPORTUNITY
TO REVIEW THE DEPARTMENT'S COMMENTS (PARA 2 REFTEL)
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IN THE LIGHT OF DEVELOPMENTS OCCURRING HERE ON THE ISTH-

MUS ON THIS SUBJECT.

11. TO DATE, LOCAL MEDIA REACTION HAS BEEN SCANTY
AND NOT PROMINENT. WE HAVE RECEIVED NO REACTION AS
YET FROM ANY GOP OFFICIALS. JORDEN

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